

International Association of Sheet Metal, Air, Rail and Transportation Workers

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Environmental Protection Agency
1200 Pennsylvania Avenue N.W.
Washington, DC 20004

RE: Bipartisan Infrastructure Law Clean School Bus Program

To Whom It May Concern,

On behalf of our thousands of members, the International Association of Sheet Metal, Air, Rail and Transportation Workers (SMART) commends Congress and the Biden administration on the passage of the bipartisan infrastructure law. SMART manufacturers EV buses and appreciates that the law provides funding to replace thousands of outdated and environmentally hazardous buses, with clean, zero emission vehicles, including \$5 billion for the replacement of existing school buses with clean school buses and zero-emission school buses. As EPA develops and designs the Clean School Bus Program, we encourage EPA to incentivize grant recipients to purchase union made EV buses manufactured with a domestic content threshold of at least 70 percent. Applying these conditions to the program will help the Biden administration meet its climate, labor and equity goals.

SMART is one of North America's most dynamic and diverse unions. In Lancaster, CA, SMART represents all the union employees at Build Your Dreams (BYD) electric bus plant. BYD North America was the first electric bus manufacturer to unionize (with a neutrality/card check agreement), adopt a Community Benefits Agreement and establish training and apprenticeship programs for workers with traditionally high barriers to employment. Through SMART's collaboration with BYD, the company partnered with Antelope Valley College to create a pre-apprenticeship program to develop and train the next generation of workers. BYD also launched an 18-month apprenticeship program to help foster the next generation of leaders. The workforce is predominately women, people of color, and the formerly incarcerated. This facility is a model for the Biden administration's goals of creating union-jobs, achieving racial justice, and tackling climate change.

BYD represents 40 percent of total U.S. electric bus manufacturing capacity in the U.S. Proterra (its competitor) represents 37 percent of the market. BYD buses exceed Federal Transit Administration 'Buy America' requirements, incorporating more than 70 percent U.S. components. BYD has spent more than \$100M on parts and components from hundreds of U.S. vendors over the last two years. Additionally, BYD has invested more than \$250 million in the U.S. market through its facilities, workers, and partnerships. According to the city of Lancaster, BYD America's presence has led to more than 3,000 additional jobs in the region. More than 500 BYD EV buses are operating in the U.S., and over 300 more are on order. BYD is also looking to expand its manufacturing space by two million square feet and hire at least 1,000 more workers to enhance its manufacturing capacity in the near future and meet the growing demand of U.S. cities and states for EV buses.

BYD is a model electric bus manufacturer that should be utilized for EPA's Clean School Bus Program. Unfortunately, there is a provision in current law that would not allow the use of federal grant monies to purchase electric transit buses manufactured by BYD. Despite BYD being a publicly traded, American-based manufacturer meeting all federal "Buy American" requirements, with ownership that currently includes both American and

foreign institutional investors, EPA Clean School Bus Program grantees may not be able to purchase BYD EV buses. Due to the fact BYD has a headquarters in China, existing law was crafted in such a way that would exclude companies like BYD that are publicly-traded, and therefore owned by individual shareholders and independent financial institutions, in the ban on federal contracts, even if those companies would satisfy Buy America requirements. Notably, Warren Buffett is one of BYD's largest shareholders. BYD buses sold to U.S. transit systems are manufactured in the U.S. in Lancaster, California utilizing an all-union labor force. All BYD buses manufactured in America exceed federal Buy America requirements.

SMART is grateful for the high road manufacturing careers our members have achieved and believe EPA's Clean School Bus Program can contribute to expanding high road manufacturing careers by incentivizing its grant recipients to purchase union made EV buses manufactured with a domestic content threshold of at least 70 percent. We urge EPA to make an exception and allow BYD buses to qualify for funding under the Clean School Bus Program.

Sincerely,

James White
Director of Strategic Campaigns
International Association of Sheet Metal, Air, Rail and Transportation Workers